

BYLAWS
OF
CHICAGO INFRASTRUCTURE TRUST

ARTICLE I **CORPORATION**

Section 1.1 Corporate Name. The name of the corporation shall be Chicago Infrastructure Trust, an Illinois not-for-profit corporation (the "Trust").

Section 1.2 Corporate Purpose. The Trust is organized and shall be operated exclusively for civic and charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as now enacted or as hereafter amended (or a corresponding section of any future federal tax code), including to lessen the burdens of government that otherwise would fall on the City of Chicago and its sister agencies by providing funding and credit support to qualifying infrastructure projects; playing an important coordinating and facilitative role in attracting private investment to Chicago's infrastructure; financing capital investments for transformative infrastructure projects within the City; making grants for transformative infrastructure projects; facilitating projects affecting multiple co-ordinate units of local government that will enable the sharing of labor, resources and knowledge between and among such units of local government; and including all activities incidental or related thereto.

Section 1.3 Limitations. Notwithstanding any other provision of these Bylaws:

1.3.1 The Trust is organized and shall be operated in accordance with City of Chicago Ordinance No. O2012-1366 (adopted April 24, 2012), as now enacted or as hereafter amended (the "Ordinance").

1.3.2 No part of the net earnings of the Trust shall inure to the benefit of, or be distributable to, its Directors, officers or other private persons, except that the Trust shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments in furtherance of the purposes set forth above;

1.3.3 No part of the activities of the Trust shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Trust shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of, or in opposition to, any candidate for public office; and

1.3.4 In the event of the dissolution of the Trust, the Board of Directors of the Trust shall pay or make provision for the payment of all of the liabilities of the Trust, and thereafter shall cause the remaining assets of the Trust to be distributed to the City of Chicago, Illinois (the "City"), to be used exclusively for the same corporate purposes for which the Trust was established. Any such assets not so disposed of shall be disposed of by the appropriate court of law of the county in which the principal office of the Trust is then located, exclusively for such purposes to a governmental unit or units or to such organization or organizations, as said court shall determine, that are organized and operated exclusively for charitable purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(3) of the

Internal Revenue Code of 1986, as now enacted or as hereafter amended (or a corresponding section of any future federal tax code).

ARTICLE II OFFICES

Section 2.1 Registered Office. The Trust shall continuously maintain a registered office in the State of Illinois (which may, but need not be, the same as its place of business) and a registered agent whose business office is identical with such registered office.

Section 2.2 Other Offices. The Trust may also have offices at such other places as the Board of Directors may from time to time determine or as the business of the Trust may require.

ARTICLE III MEMBERS

The Trust shall have no members.

ARTICLE IV DIRECTORS

Section 4.1 General Powers. The business and affairs of the Trust shall be managed by or under the direction of its Board of Directors (the "Board"). The Board shall determine compliance with the Trust's stated purposes and limitations and shall have the power and authority to do and perform all acts or functions not inconsistent with these Bylaws, the Trust's Articles of Incorporation, or the Ordinance.

Section 4.2 Number, Appointment and Term. The number of Directors of the Trust shall be no fewer than six and no more than eleven, as determined from time to time by the Board consistent with the appointment mechanisms described in this Section. The Directors shall be divided into three classes, designated as Class I, Class II and Class III, as follows:

4.2.1 *Class I Voting Directors (the "Voting Directors")*. The number of Voting Directors of the Trust shall be five. The Voting Directors shall be appointed by the Mayor of the City of Chicago (the "Mayor") with the approval of the Chicago City Council (the "City Council"). One of the Voting Directors shall be a member of the City Council, and each of the four other Voting Directors shall have expertise in one or more of the following areas: financing and development of infrastructure; capital markets; and municipal finance. The initial Voting Directors will serve for the following terms, or until his or her successor is duly qualified and appointed: one Voting Director for a term commencing with the incorporation of the Trust and ending on December 31, 2013; two Voting Directors for a term commencing with the incorporation of the Trust and ending on December 31, 2014; and two Voting Directors for a term commencing with the incorporation of the Trust and ending on December 31, 2015. Succeeding Voting Directors shall serve full three-year terms in staggered rotation, or until his or her successor is duly qualified and appointed. If at any time the City Council Voting Director ceases to be a member of the City Council, his or her term as a Voting Director shall also cease, and a member of the City Council shall be appointed to serve the remainder of the term. A Voting Director may only be removed for cause by the Mayor.

4.2.2 *Class II Advisory Directors*. Class II Directors shall be advisory directors of the Trust; they shall not be entitled to vote, and shall not vote, on any matter or transaction before the Board. The number of Class II Directors shall be no more than three. One Class II

Director shall be the City Treasurer. Any other Class II Directors shall be appointed by the Mayor and shall be either commissioners, officials or employees of the City or of the following units of government: the Public Building Commission of Chicago, the Chicago Transit Authority, the Chicago Board of Education, Community College District Number 508, the Chicago Park District and the Chicago Housing Authority (each a "Co-ordinate Unit of Government") or board members of the Co-Ordinate Units of Government. Each Class II shall serve on an *ex officio* basis, while also serving in his or her respective capacity as a commissioner, official, employee or board member of the City or of a Co-ordinate Unit of Government; if at any time the Class II Director ceases to serve in the City or Co-ordinate Unit of Government position he or she held at the time of the Mayor's appointment, his or her term as a Class II Director shall also cease. A Class II Director appointed by the Mayor may be removed with or without cause at any time by the Mayor.

4.2.3 *Class III Advisory Directors.* Class III Directors shall be advisory directors of the Trust; they shall not be entitled to vote, and shall not vote, on any matter or transaction before the Board. The number of Class III Directors shall be no more than three. Class III Directors shall be elected by the Voting Directors. Each Class III Director shall hold office for a term of two years or until his or her successor is duly qualified and elected. At each annual meeting, the Voting Directors shall elect successors for those Advisory Directors whose terms are expiring in that year. A Class III Director may be removed with or without cause at any time by the Board.

Section 4.3 Resignation of Directors. A Director may resign at any time by written notice to the Chair; such resignation shall be effective on the date it is received, or its designated effective date (if later).

Section 4.4 Vacancies. Any vacancy occurring in the Board shall be filled by appointment in a manner consistent with Section 4.2 hereof. A Voting Director or a Class III Director appointed to fill a vacancy shall hold office for the duration of the term vacated or until his or her successor is duly qualified and appointed. A Class II Director appointed to fill a vacancy shall serve on an *ex officio* basis.

Section 4.5 Compensation. Directors shall not receive any compensation for their services as Directors; however, the Board may authorize reimbursement of reasonable expenses incurred in the performance of their duties. Nothing herein shall be construed to preclude a Director from serving the Trust in any other capacity and receiving reasonable compensation therefor.

ARTICLE V MEETINGS; COMPLIANCE WITH OPEN MEETINGS ACT

Section 5.1 Compliance with the Open Meetings Act. The Board will provide public notice of its meetings and conduct its meetings in accordance with the Illinois Open Meetings Act, 5 ILCS 120/1 *et seq.*, as now enacted or as hereafter amended (the "Open Meetings Act"), as provided in this Article V. As non-voting, advisory directors, Class II Directors and Class III Directors shall not be considered members of the Board (the executive body of the Trust) for the purposes of the Open Meetings Act; provided, however, that any Class II Director or Class III Director that is a member of a Board committee established pursuant to Article VI hereof shall

be considered a member of an administrative or advisory body of the Trust for the purpose of applying the Open Meetings Act to the meetings of such committee.

5.1.1 All meetings of the Board shall be open to the public, held at specified times and places which are convenient and open to the public, unless excepted and closed pursuant to Subsection 5.1.2 hereof. All gatherings, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, email, electronic chat and instant messaging) or other means of contemporaneous interactive communication, of any three or more Voting Directors held for the purpose of discussing business of the Trust shall be considered a "meeting of the Board" for the purpose of this Section.

5.1.2 The Board may hold closed meetings to consider subjects excepted from open meeting requirements pursuant subsection (c) of Section 2 of the Open Meetings Act upon the vote of at least three Voting Directors present at a meeting open to public. The citation to the specific exemption contained in Section 2 of the Open Meetings Act shall be disclosed at the time of the vote and recorded in the minutes. At any open meeting for which proper notice has been given, the Board may without additional notice hold a closed meeting. Only topics specified in the vote to close may be considered during a closed meeting, and no final action may be taken.

5.1.3 Any person shall be permitted an opportunity to address the Board at any meeting open to the public, subject to reasonable restrictions adopted and recorded by the Board to ensure orderly conduct of business and to account for time and space constraints.

Section 5.2 Quorum of Directors. Three of the Voting Directors then in office and physically present at any meeting of the Board shall constitute a quorum for the transaction of business. If less than a quorum of the Voting Directors is present at a meeting, a majority of the Voting Directors present may adjourn the meeting at any time without further notice, unless otherwise required by law.

Section 5.3 Manner of Acting. The Board shall act by the affirmative vote of at least three of the Voting Directors present at a meeting at which a quorum is physically present. Voting by proxy or absentee ballot is prohibited.

Section 5.4 Meeting by Conference Telephone or Videoconference. If a quorum is physically present at a meeting of the Board, the Board may permit a Director to participate in and act at such meeting by means of conference telephone, videoconference or other communications equipment through which all persons participating in the meeting can hear each other simultaneously if the Director is prevented from physically attending the meeting because of (a) personal illness or disability, (b) employment purposes or Trust business or (c) a family or other emergency. Participation at a meeting in accordance with this Section shall be equivalent to attendance and presence in person at the meeting of the person or persons so participating, except for the purpose of determining that a quorum exists in accordance with Section 5.2 hereof.

Section 5.5 Annual Meeting. The Annual Meeting of the Board shall be held on such day as the Board shall designate for the purpose of electing Class III Directors and electing officers and for the transaction of any other proper business.

Section 5.6 Regular and Special Meetings. The Board shall meet at least [quarterly], and more often as determined by the Chair. Special meetings of the Board may be called by or at the request of the Chair or any two Voting Directors.

Section 5.7 Notice of Meetings.

5.7.1 *Annual and Regular Meetings.*

5.7.1.1 The Board shall give public notice of the date of its annual meeting and the schedule of its regular meetings at the beginning of each fiscal year and shall state the regular dates, times and places of such meetings. If a change is made in a regular meeting date, at least 10 days' notice of such change shall be given.

5.7.1.2 An agenda for the annual meeting and each regular meeting shall be posted at least 48 hours in advance of the holding of such meeting. The requirement of a meeting agenda shall not preclude the consideration of items not specifically set forth in the agenda.

5.7.2 *Special Meetings, Rescheduled Meetings and Emergency Meetings.* The Board shall give public notice of any special meeting (except a meeting held in the event of an emergency) or of any rescheduled regular meeting at least 48 hours before such meeting, which notice shall also include the agenda for such meeting. The validity of any action taken by the Board which is germane to a subject on the agenda shall not be affected by other errors or omissions in the agenda. Notice of an emergency meeting shall be given as soon as practicable (but in any event prior to the holding of such meeting) and in the same manner as is given to the Directors to any news medium that has filed an annual request for notice under Subsection 5.7.4 hereof.

5.7.3 *Form of Notice.* Public notice of all meetings of the Board, whether open or closed, shall be given in conformity with the public notice requirements imposed on public bodies under the Open Meetings Act. Notice of a meeting of the Board and the agenda for such meeting shall also be posted on the Trust's website; provided, however, that the failure to post on the website notice of any meeting or the agenda of any meeting shall not invalidate any meeting or any actions taken at such meeting. The agenda of a regular meeting posted on the Trust's website shall remain posted until the regular meeting is concluded. The annual schedule of meetings shall remain on the Trust's website until a new public notice of the schedule of meetings is approved by the Board.

5.7.4 *Notice to News Media.* Any news medium may file an annual request for notice of meetings of the Board. The Board shall provide a copy of any notice provided under this Section to any news medium that has filed such a request.

Section 5.8 Waiver of Notice Prohibited. The notice required by Section 5.7 hereof cannot be waived by the members of the Board of Directors. Any action taken at a meeting of the Board for which notice was not given in accordance with Section 5.7 hereof shall be considered invalid.

Section 5.9 Records of Proceedings. The Trust shall keep records of all proceedings of the Board and of any committee having been delegated authority to act on behalf of the Board,

including minutes of such proceedings, in conformity with the minutes and recording requirements imposed on public bodies under the Open Meetings Act as now or as hereafter amended. Such minutes shall be posted and maintained on the Trust's website.

Section 5.10 Open Meetings Act Training. Within ninety days of assuming office, each Director must complete the on-line training program regarding the Open Meetings Act developed by the Illinois Attorney General (or if such program is no longer available, a comparable program recommended by either the Illinois Attorney General or the City).

ARTICLE VI COMMITTEES

Section 6.1 Committees. The Board may establish such committees as it considers necessary and convenient to the operation of the Trust. Each committee so established shall consist of two or more Voting Directors and such other Directors as the Board may designate.

Section 6.2 Meetings, Quorum and Action. Meetings of committees shall be conducted in accordance with the requirements for meetings of the Board set forth in Article V hereof. This includes the requirement that such committees provide public notice of their meetings and conduct their meetings in accordance with the Open Meetings Act.

Section 6.3 Authority and Restrictions. Notwithstanding any other provision of these Bylaws, no committee of the Board may exercise any of the following powers:

6.3.1 Adopt or authorize a plan for the distribution of the assets, or for the dissolution, of the Trust;

6.3.2 Fill vacancies on the Board or any of its committees;

6.3.3 Elect or remove any officer or Director or fix the compensation of any officer of the Trust;

6.3.4 Adopt, amend or repeal these Bylaws or the Trust's Articles of Incorporation;

6.3.5 Approve a plan of merger or consolidation with another corporation, or authorize the sale, lease, exchange or mortgage of all or substantially all of the property or assets of the Trust; or

6.3.6 Amend, alter, repeal, or take action inconsistent with any resolution or action of the Board.

ARTICLE VII OFFICERS

Section 7.1 Number. The officers of the Trust shall be a Chair, Vice Chair, and a Secretary-Treasurer, along with such other officers as may be elected by the Board in accordance with the provisions of this Article.

Section 7.2 Election and Term of Office.

7.2.1 *Chair.* The Chair shall be appointed by the Mayor from among the Voting Directors. The Chair shall serve in such position until he or she is removed or replaced, with or without cause, by the Mayor.

7.2.2 *Other Officers.* Officers other than the Chair shall be elected by the Voting Directors at each annual meeting from among the Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as reasonably practicable. Officers shall serve for a term of one year or until their successors are duly qualified and elected. Election of an officer shall not of itself create contract rights.

Section 7.3 Resignation and Removal of Officers. An officer may resign at any time by written notice to the Chair; such resignation shall be effective on the date it is received, or its designated effective date (if later). Any officer elected or appointed by the Board may be removed by the Board whenever in its judgment the best interests of the Trust would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 7.4 Vacancies; New Offices. A vacancy occurring in any office during the middle of a term may be filled, and new offices may be created and filled, at any time by the Board.

Section 7.5 Chair. The Chair shall be the principal executive officer of the Trust and shall preside at all meetings of the Board. Subject to the direction and control of the Board, the Chair shall (a) be in charge of the business and affairs of the Trust; (b) see that the resolutions and directives of the Board are implemented; and (c) in general, perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the Trust or a different mode of execution is expressly prescribed by the Board or these Bylaws or is required by law, the Chair may execute on behalf of the Trust any contracts, deeds, mortgages, bonds, or other instruments that the Board of Directors has authorized to be executed. The Chair shall have all such other powers and authority necessary and appropriate to carry out the specific duties set forth above.

Section 7.6 Vice Chair. In the absence of the Chair, or in the event of the Chair's inability or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as from time to time may be assigned by the Chair or the Board.

Section 7.7 Secretary-Treasurer. The Secretary-Treasurer shall be the principal accounting and financial officer of the Trust and shall be the custodian of the corporate records of the Trust. The Secretary-Treasurer shall (a) have charge of and be responsible for the maintenance of adequate books of account for the Trust; (b) have charge and custody of and be responsible for all funds and securities of the Trust; (c) receive and give receipts for monies due and payable to the Trust from any source whatsoever and deposit all such monies in the name of the Trust in such banks, trust companies or other depositories as shall be selected in accordance with these Bylaws; (d) have the authority to certify these Bylaws, the resolutions of the Board, and other documents of the Trust as true and correct copies thereof; (e) oversee the

implementation of processes that ensure that minutes of meetings of the Board are prepared and that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; and (f) in general, perform all the duties incident to the office of Secretary-Treasurer and such other duties as from time to time may be assigned to him or her by the Chair or by the Board. The Secretary-Treasurer shall have all such other powers and authority necessary and appropriate to carry out the specific duties set forth above. If required by the Board, the Secretary-Treasurer shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine.

ARTICLE VIII LIMITATIONS ON THE POWER OF THE TRUST

Section 8.1 City Council Approval. The prior approval of the City Council shall be required for any transaction to be undertaken by the Trust that seeks to utilize present or anticipated funds, revenues, assets or properties of the City.

Section 8.2 No Power to Pledge City's Credit. The Trust shall have no power to pledge the full faith and credit of the City, nor shall any obligation issued by the Trust (or any entity sponsored by the Trust) in connection with any infrastructure project be a general obligation of the City.

ARTICLE IX REQUIRED POLICIES AND PROCEDURES

Section 9.1 Investment Policy. The Board shall adopt an investment policy consistent with the Ordinance, the Trust's Articles of Incorporation and these Bylaws (the "Investment Policy"). The Investment Policy shall establish criteria for all investments and other moneys received by the Trust from third parties and provide guidelines for developing financing structures for all infrastructure projects submitted to the Trust.

Section 9.2 Procurement Policy. The Board shall establish procurement policies and procedures that comply with all applicable City procurement rules and requirements, including, without limitation, Article IV (Minority-Owned and Women-Owned Business Enterprise Program) and Article VI (M.B.E./W.B.E. Construction Program) of Chapter 2-92, as amended, of the Chicago Municipal Code.

Section 9.3 Employment Policy. The Board shall establish policies and procedures for the hiring of employees that are consistent with applicable policies and procedures utilized by the City in hiring employees, as well as with the Ordinance, the Trust's Articles of Incorporation and these Bylaws.

Section 9.4 Annual Assessment. The Board shall annually commission a written analysis by an independent third party having expertise in infrastructure, capital markets and municipal finance to analyze the impact of the Trust and the projects it has undertaken on the City and on the Chicago metropolitan region. Such assessment shall be delivered to the Mayor and the City Council and posted on the Trust's website.

Section 9.5 Independent Financial Advisors. The Board shall appoint an independent financial advisor for each transaction to be undertaken by the Trust. Such advisor shall provide a written assessment of the proposed transaction in accordance with the Mayor's Executive Order

No. 2012-1, dated April 23, 2012. Under no circumstances shall such advisor's fees be based on the success of the proposed transaction.

Section 9.6 Disclosure Statements. The Board shall establish policies and procedures for requiring project investors and independent financial advisors appointed pursuant to Section 9.5 to complete disclosure statements that are substantially similar to the economic disclosure statements required of third parties for transactions with the City under the Chicago Municipal Code, as now enacted or as hereafter amended. Such disclosure statements be open for public inspection and review and shall be posted on the Trust's website.

Section 9.7 Conflicts of Interest Policy. The Trust and its Directors, officers and employees shall adhere to the policies and procedures regarding conflicts of interest attached hereto (the "Conflict of Interest Policy").

ARTICLE X REPORTS & RECORDS; PUBLIC ACCESS

Section 10.1 Financial Statements. The Board of Directors shall supervise the preparation and auditing of its financial statements, including full compliance with applicable generally accepted accounting principles (GAAP).

Section 10.2 Annual Report. The Board shall supervise the preparation of annual reports and shall approve and release such reports for public inspection and review on or about April 1 of each year, beginning in the year 2013. Such annual report shall detail the activities and accomplishments of the Trust for the prior year, including, without limitation, information as to investments received by the Trust, infrastructure projects financed or supported by the Trust, articles of incorporation, bylaws and rules and regulations adopted or amended by the Trust, and annual audited financial statements of the Trust. A copy of each annual report shall be presented to the Mayor and the City Council.

Section 10.3 Website. The Board of Directors shall supervise the creation, publication and maintenance of a website for the Trust. Such website shall be updated in a timely fashion. The Trust will post and maintain online for public review the following documents: the annual schedule of regular meetings of the Board of Directors prepared pursuant to Section 5.7 hereof, the minutes of Board of Directors meetings prepared pursuant to Section 5.9 hereof, annual audited financial statements prepared pursuant to Section 10.1 hereof, annual reports prepared pursuant to Section 10.2 hereof, and investor disclosure statements prepared pursuant to Section 9.6 hereof.

Section 10.4 Public Access to Records. The Trust shall keep the books, records, minutes and documents of the Trust open for public inspection, review and copying in accordance with the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*, as now enacted or as hereafter amended ("FOIA").

10.4.1 The Board of Directors shall appoint a Freedom of Information officer for the Trust. Such officer shall be designated to receive requests for records, shall ensure that the Trust responds to requests in a timely fashion and shall issue responses to such requests under FOIA.

10.4.2 The Board of Directors shall establish policies and procedures for providing such public access consistent with FOIA (the "Public Records Policy"). The Public Records Policy shall be consistent with the following requirements:

- (a) The Trust shall comply with or deny a written request for its records within the time period allotted under FOIA, including any applicable extension period.
- (b) If the Trust denies a request, it shall issue a written notice of denial identifying the reasons for the denial, including any exemption claimed.
- (c) Certain records of the Trust may be exempt from public disclosure in accordance with FOIA.
- (d) The Trust may deny categorical requests as unduly burdensome in accordance with applicable provisions of FOIA.
- (e) The Trust may charge the requester reasonable fees in accordance with FOIA.

10.4.3 If the Trust denies a request for its records, it shall report such denial to the City in accordance with the applicable provisions of any grant agreement between the Trust and the City and shall thereafter comply with such directives as are issued by the City pursuant to these grant agreement provisions.

Section 10.5 FOIA Cooperation. The Trust, including all Directors, officers and employees of the Trust, shall cooperate with the City with respect to compliance with the requirements of FOIA concerning any public documents or records that are in the possession of the Trust but are nonetheless subject to the City's obligation to provide public access to such documents or records under FOIA.

ARTICLE XI INDEMNIFICATION

Section 11.1 Indemnification in Actions Other Than by or in the Right of the Trust. The Trust may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Trust) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Trust, or is or was serving at the request of the Trust as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Trust and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. Any indemnification provided pursuant to this Article shall be limited to indemnification permitted by the Illinois General Not For Profit Corporation Act of 1986, 805 ILCS 105/101.01 *et seq.*, as now enacted or hereinafter amended, the Trust's Articles of Incorporation and any other applicable law. The termination of any action, suit, or proceeding by judgment, order, settlement or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the

best interests of the Trust or, with respect to any criminal action or proceeding, that the person had reasonable cause to believe that his or her conduct was unlawful.

Section 11.2 Indemnification in Actions By or in the Right of the Trust. The Trust may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that such person is or was a Director, officer, employee or agent of the Trust, or is or was serving at the request of the Trust as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, if such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the Trust, provided that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his or her duty to the Trust, unless, and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability, but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses as the court shall deem proper.

Section 11.3 Right to Payment of Expenses. To the extent that a Director, officer, employee or agent of the Trust has been successful, on the merits or otherwise, in the defense of any action, suit or proceeding referred to in Section 11.1 or Section 11.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

Section 11.4 Determination of Conduct. Any indemnification under Section 11.1 or Section 11.2 (unless ordered by a court) shall be made by the Trust only as authorized in the specific case, upon a determination that indemnification of the Director, officer, employee, or agent is proper in the circumstances because he or she has met the applicable standard of conduct set forth in Section 11.1 or Section 11.2. Such determination shall be made (a) by the Board by a vote of at least three Voting Directors who were not parties to such action, suit, or proceeding; or (b) if a quorum of disinterested Voting Directors is not obtainable, or even if obtainable, if a quorum of disinterested Voting Directors so directs, by independent legal counsel in a written opinion.

Section 11.5 Payment in Advance of Final Disposition. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Trust in advance of the final disposition of such action, suit or proceeding, as authorized by the Board in the specific case, upon receipt of an undertaking by or on behalf of the Director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he or she is entitled to be indemnified by the Trust as authorized in this Article.

Section 11.6 Indemnification Not Exclusive. The indemnification provided by this Article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, officer, employee or agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 11.7 Insurance. The Trust may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Trust, or who is or was serving at the request of the Trust as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Trust would have the power to indemnify such person against such liability under the provisions of this Article.

Section 11.8 References to Trust. For purposes of this Article, references to "the Trust" shall include, in addition to the surviving corporation, any merging corporation (including any corporation having merged with a merging corporation) absorbed in a merger that, if its separate existence had continued, would have had the power and authority to indemnify its Directors, officers, employees or agents, so that any person who was a Director, officer, employee or agent of such merging corporation, or was serving at the request of such merging corporation as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article with respect to the surviving corporation as such person would have with respect to such merging corporation if its separate existence had continued.

Section 11.9 Other References. For purposes of this Article, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Trust" shall include any service as a Director, officer, employee or agent of the Trust that imposes duties on or involves services by such Director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries. A person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Trust" as referred to in this Article.

ARTICLE XII GENERAL MATTERS

Section 12.1 Fiscal Year. The fiscal year of the Trust shall begin on the first day of January and end on the last day of December in each year.

Section 12.2 Actions Requiring Board Approval. The following are, without limitation, each subject to the prior approval of the Board: each investment made by a third party with the Trust; each loan or investment or granting of credit support made with the investment capital received by the Trust; any rules or regulations or other procedures of the Trust governing the solicitation and evaluation of projects to be supported with such investment capital; any other rules, regulations or procedures of the Trust; any agreements with the City to provide support and services to the Trust; the annual budget of the Trust; and the hiring of any and all persons to be employed by the Trust or to be hired by the Trust as independent contractors.

Section 12.3 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument, in the name of and on behalf of the Trust, and such authority may be general or confined to specific instances.

Section 12.4 Loans and Indebtedness. No loans shall be contracted on behalf of the Trust and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

Section 12.5 Checks, Drafts, Etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Trust shall be signed by the Secretary-Treasurer or his or her designee, unless otherwise determined by the Board.

Section 12.6 Deposits. All funds of the Trust shall be deposited from time to time to the credit of the Trust in such banks, trust companies or other depositories as the Board may select.

Section 12.7 Gifts. The Board may accept on behalf of the Trust any contribution, gift, bequest or devise for the general or any special purposes of the Trust.

Section 12.8 Corporate Seal. The Trust shall not have a corporate seal.

ARTICLE XIII AMENDMENTS

These Bylaws may be amended or restated at any time by the Board upon the affirmative vote of at least three Voting Directors at an open meeting of the Board at which a quorum is present.

**CONFLICTS OF INTEREST POLICY
OF
CHICAGO INFRASTRUCTURE TRUST**

ARTICLE I PURPOSE

The purpose of this Conflicts of Interest Policy (this "Policy") is to protect the interests of the Trust and its tax-exempt status when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Trust or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to not-for-profit corporations and charitable organizations and any provisions of the Ordinance governing conflicts of interest.

ARTICLE II DEFINITIONS

Section 2.1 Interested Person. Any Director or officer who has a direct or indirect financial interest, as defined below, is an interested person.

Section 2.2 Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- (a) An ownership or investment interest in any entity with which the Trust has a transaction or arrangement;
- (b) A compensation arrangement with the Trust or with any entity or individual with which the Trust has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Trust is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Section 3.2 of this Policy, a person who has a financial interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

ARTICLE III PROCEDURES

Section 3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and must be given the opportunity to disclose all material facts to the Board when the Board is considering a relevant proposed transaction or arrangement.

Section 3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or

she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The disinterested Voting Directors shall decide if a conflict of interest exists.

Section 3.3 Procedures for Addressing the Conflict of Interest.

3.3.1 An interested person may make a presentation at the Board meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest.

3.3.2 The Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.3.3 After exercising due diligence, the Board shall determine whether the Trust can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

3.3.4 If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Trust's best interest and whether the transaction is fair and reasonable to the Trust. In conformity with such determination, the Board shall make its decision as to whether to enter into the transaction or arrangement.

Section 3.4 Violations of the Conflicts of Interest Policy.

3.4.1 If the Boards has reasonable cause to believe that a Director or officer has failed to disclose actual or possible conflicts of interest, it shall inform the Director or officer of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

3.4.2 If, after hearing the response of such person and making such further investigation as may be warranted by the circumstances, the Board determines that the Director or officer in fact has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action, including recommending removal from the Board of Directors.

ARTICLE IV RECORDS OF PROCEEDINGS

The minutes of the Board shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed; and

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE V COMPENSATION AND AVOIDING EXCESS BENEFITS

Section 5.1 A Director who receives compensation, directly or indirectly, from the Trust for services is precluded from voting on matters pertaining to that Director's compensation.

Section 5.2 No Director or other person who receives compensation, directly or indirectly, from the Trust, either individually or collectively, is prohibited from providing information to the Board regarding compensation.

ARTICLE VI ANNUAL STATEMENTS

Each Director and officer shall sign annually a statement that affirms that such person:

- (a) Has received a copy of this Policy;
- (b) Has read and understands this Policy;
- (c) Has agreed to comply with this Policy; and
- (d) Understands that the Trust is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII PERIODIC REVIEWS

Section 7.1 To ensure that the Trust operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- (a) Whether compensation arrangements and benefits are reasonable, based on information about compensation paid by similarly situated taxable or tax-exempt organizations for similar services, and are the result of arm's-length bargaining; and
- (b) Whether agreements with providers, employees, independent contractors, and third-party entities conform to the Trust's written policies, are properly recorded, reflect reasonable payments for goods and services, further the Trust's tax-exempt purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

ARTICLE VIII USE OF OUTSIDE EXPERTS

In conducting the periodic reviews provided for in Article VII of this Policy, the Trust may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

ARTICLE IX FIDUCIARY DUTIES OF VOTING DIRECTORS

All Voting Directors owe the Trust a fiduciary duty and accordingly are strictly

prohibited from making decisions or recommendations on behalf of the Trust for personal financial gain. Any Voting Director who has a financial interest in any entity that is being considered by the Trust to perform work for the Trust or for the City, to receive funds from the Trust or from the City, or to provide funds to or otherwise make an investment in the Trust, shall recuse himself or herself from any vote of the Board regarding said entity. For purposes of this Article only, the term "financial interest" shall be defined as provided in Chapter 2-156 of the Chicago Municipal Code, as amended.

ARTICLE X [CONFLICTS OF FIDUCIARY DUTIES]

Section 10.1 [A Voting Director may also be an officer or director of another corporate entity or be a commissioner, official, employee or board member of the City or of a Co-ordinate Unit of Government. As such, such Director has fiduciary duties both to the Trust and to the other corporate entity, the City or the Co-ordinate Unit of Government (as applicable) that may from time to time present conflicts of interest. Any such conflicts of interest shall be resolved in the following manner:

10.1.1 When a Voting Director who is also an officer or director of another corporate entity or be a commissioner, official, employee or board member of the City or of a Co-ordinate Unit of Government becomes aware that a matter or transaction before the Board may present a potential conflict of interest of the type described in this Section, he or she shall evaluate whether his or her fiduciary duties to the Trust with respect to that particular matter or transaction are in conflict with his or her fiduciary duties to such other corporate entity, the City or the Co-ordinate Unit of Government (as applicable).

10.1.2 When such Voting Director determines that his or her fiduciary duties present such a conflict of interest, he or she shall promptly disclose such conflict of interest to the Board.

10.1.3 A Voting Director who has determined that his or her fiduciary duties present such a conflict of interest shall not be entitled to vote, and shall not vote, as a member of the Board on a matter or transaction presenting such a conflict.

10.1.4 The presence of a Voting Director having such a conflict may be counted in determining whether a quorum is present but may not be counted when the Board takes action on a matter or transaction presenting such a conflict. The act of at least three disinterested Voting Directors present at a meeting at which a quorum is physically present and entitled to vote on such action shall be the act of the Board with respect to a matter or transaction presenting such a conflict.]

Section 10.2 [Notwithstanding the foregoing Section 10.1, when a Voting Director is also an alderman of the City, and such Director's fiduciary duties to the Trust and to the City and/or his constituents present a conflict of interest, such conflict of interest shall be resolved in the following manner:

10.2.1 Such Voting Director shall not be entitled to vote, and shall not vote, as a member of the Board on a grant agreement or other similar agreement, contract or transaction between the Trust and the City. The presence of such Voting Director may be counted in

determining whether a quorum is present but may not be counted when the Board takes action on such matter or transaction. The act of at least three disinterested Voting Directors present at a meeting at which a quorum is physically present and entitled to vote on such action shall be the act of the Board with respect to such matter or transaction.

10.2.2 Such Voting Director is, however, entitled to vote on other matters of the Trust, including, without limitation, grant agreements and similar agreements and contracts between the Trust and a Co-Ordinate Unit of Government and transactions involving City assets or the assets of a Co-Ordinate Unit of Government, provided that such Voting Director is not prevented from voting on such matter or transaction by some other provision of this Policy, the Trust's Bylaws or Articles of Incorporation, or the Ordinance.]